



FEDERAL RESERVE SYSTEM

Proposed Agency Information Collection Activities; Comment Request

AGENCY: Board of Governors of the Federal Reserve System

SUMMARY: On June 15, 1984, the Office of Management and Budget (OMB) delegated to the Board of Governors of the Federal Reserve System (Board) its approval authority under the Paperwork Reduction Act (PRA), pursuant to 5 CFR 1320.16, to approve of and assign OMB control numbers to collection of information requests and requirements conducted or sponsored by the Board under conditions set forth in 5 CFR 1320 Appendix A.1. Board-approved collections of information are incorporated into the official OMB inventory of currently approved collections of information. Copies of the Paperwork Reduction Act Submission, supporting statements and approved collection of information instruments are placed into OMB's public docket files. The Federal Reserve may not conduct or sponsor, and the respondent is not required to respond to, an information collection that has been extended, revised, or implemented on or after October 1, 1995, unless it displays a currently valid OMB control number.

DATES: Comments must be submitted on or before [insert date 60 days after publication in the Federal Register].

ADDRESSES: You may submit comments, identified by *FR 2052a and b*, by any of the following methods:

- Agency Web Site: <http://www.federalreserve.gov>. Follow the instructions for submitting comments at <http://www.federalreserve.gov/apps/foia/proposedregs.aspx>.
- Federal eRulemaking Portal: <http://www.regulations.gov>. Follow the instructions for submitting comments.
- E-mail: regs.comments@federalreserve.gov. Include OMB number in the subject line of the message.
- FAX: (202) 452-3819 or (202) 452-3102.
- Mail: Robert deV. Frierson, Secretary, Board of Governors of the Federal Reserve System, 20th Street and Constitution Avenue, N.W., Washington, DC 20551.

All public comments are available from the Board's web site at <http://www.federalreserve.gov/apps/foia/proposedregs.aspx> as submitted, unless modified for technical reasons. Accordingly, your comments will not be edited to remove any identifying or contact information. Public comments may also be viewed electronically or in paper form in Room MP-500 of the Board's Martin Building (20th and C Streets, N.W.) between 9:00 a.m. and 5:00 p.m. on weekdays.

Additionally, commenters may send a copy of their comments to the OMB Desk Officer, Shagufta Ahmed, Office of Information and Regulatory Affairs, Office of Management and Budget, New Executive Office Building, Room 10235 725 17th Street, NW., Washington, DC 20503 or by fax to (202) 395-6974.

FOR FURTHER INFORMATION CONTACT: A copy of the PRA OMB submission, including the proposed reporting form and instructions, supporting statement, and other documentation will be placed into OMB's public docket files, once approved. These documents will also be made available on the Federal Reserve Board's public website at:

<http://www.federalreserve.gov/apps/reportforms/review.aspx> or may be requested from the agency clearance officer, whose name appears below.

Federal Reserve Board Clearance Officer, Cynthia Ayouch, Office of the Chief Data Officer, Board of Governors of the Federal Reserve System, Washington, DC 20551 (202) 452-3829. Telecommunications Device for the Deaf (TDD) users may contact (202) 263-4869, Board of Governors of the Federal Reserve System, Washington, DC 20551.

SUPPLEMENTARY INFORMATION:

Request for comment on information collection proposal

The following information collection, which is being handled under this delegated authority, has received initial Board approval and is hereby published for comment. At the end of the comment period, the proposed information collection, along with an analysis of comments and recommendations received, will be submitted to the Board for final approval under OMB delegated authority. Comments are invited on the following:

- a. Whether the proposed collection of information is necessary for the proper performance of the Federal Reserve's functions; including whether the information has practical utility;
- b. The accuracy of the Federal Reserve's estimate of the burden of the proposed information collection, including the validity of the methodology and assumptions used;
- c. Ways to enhance the quality, utility, and clarity of the information to be collected;
- d. Ways to minimize the burden of information collection on respondents, including through the use of automated collection techniques or other forms of information technology; and

- e. Estimates of capital or start up costs and costs of operation, maintenance, and purchase of services to provide information.

Proposal to approve under OMB delegated authority the implementation of the following information collection:

Report titles: Complex Institution Liquidity Monitoring Report and Liquidity Monitoring Report

Agency form numbers: FR 2052a and FR 2052b.

OMB control number: 7100- to be assigned.

Frequency: FR 2052a: Daily, twice a month, and on occasion.

FR 2052b: monthly, quarterly, and on occasion.

Reporters: FR 2052a: U.S. Bank Holding Companies (BHCs) that the Financial Stability Board designated as Global Systemically Important Banks (G-SIBs) and Foreign banking organizations (FBOs) with U.S.

broker/dealer assets > \$100 billion. FR 2052b: U.S. BHCs (excluding G-SIBs) with total assets > \$50 billion, U.S. BHCs with total assets \$10 billion - \$50 billion, and FBOs with total US assets > \$50 billion and US broker/dealer assets < \$100 billion.

Estimated annual reporting hours: FR 2052a: 315,680 hours.

FR 2052b: 9,075 hours.

Estimated average hours per response: FR 2052a: U.S. BHCs that the Financial Stability Board designated as G-SIBs, 150 hours; FBOs with U.S. broker/dealer assets > \$100 billion complete, 150 hours; FBOs with U.S. broker/dealer assets > \$100 billion abbreviated, 37.5 hours; Ad-Hoc, 38 hours. FR 2052b: U.S. BHCs (excluding G-SIBs) with total assets > \$50 billion, 25 hours; U.S. BHCs with total assets \$10 billion - \$50 billion, 25 hours; FBOs with total US assets > \$50 billion and US broker/dealer assets < \$100 billion, 25 hours.

Number of respondents: FR 2052a: U.S. BHCs that the Financial Stability Board designated as G-SIBs, 8; FBOs with U.S. broker/dealer assets > \$100 billion complete, 8; FBOs with U.S. broker/dealer assets > \$100 billion abbreviated, 8; Ad-Hoc, 16. FR 2052b: U.S. BHCs (excluding G-SIBs) with total assets > \$50 billion, 17; U.S. BHCs with total assets \$10 billion - \$50 billion, 38; FBOs with total US assets > \$50 billion and US broker/dealer assets < \$100 billion, 7.

General description of report: This information collection is authorized pursuant to section 5 of the Bank Holding Company Act (12 U.S.C. § 1844), section 8 of the International Banking Act (12 U.S.C. § 3106) and section 165 of the Dodd Frank Act (12 U.S.C. § 5365) and are mandatory. Section 5(c) of the Bank Holding Company Act authorizes the Board to require

BHCs to submit reports to the Board regarding their financial condition. Section 8(a) of the International Banking Act subjects FBOs to the provisions of the Bank Holding Company Act. Section 165 of the Dodd Frank Act requires the Board to establish prudential standards for certain BHCs and FBOs; these standards include liquidity requirements. The individual financial institution information provided by each respondent would be accorded confidential treatment under exemption 8 of the Freedom of Information Act (5 U.S.C. § 552(b)(8)). In addition, the institution information provided by each respondent would not be otherwise available to the public and is entitled to confidential treatment under the authority of exemption 4 of the Freedom of Information Act (5 U.S.C. §§ 552(b)(4)), which protects from disclosure trade secrets and commercial or financial information.

Abstract: The Federal Reserve proposes to implement the FR 2052 reports, collecting quantitative information on selected assets, liabilities, funding activities, and contingent liabilities on a consolidated basis and by material subsidiary entity. U.S. BHCs designated by the Financial Stability Board as G-SIBs would report the complete FR 2052a daily. FBOs with U.S. broker/dealer assets greater than \$100 billion would report the complete FR 2052a on occasion and an abbreviated FR 2052a twice a month. U.S. BHCs,

excluding G-SIBs, with total assets greater than \$50 billion, U.S. BHCs with assets between \$10 and \$50 billion, and FBOs with total U.S. assets greater than \$50 billion and with broker/dealer assets less than \$100 billion would report on the FR 2052b monthly, quarterly, and on occasion, respectively.

The FR 2052 reports would be used to monitor an individual organization's overall liquidity profile for institutions supervised by the Federal Reserve. These data would also provide detailed information on the liquidity risks within different business lines (e.g., financing of securities positions and prime brokerage activities). In particular, these data would serve as part of the Federal Reserve's supervisory surveillance program in its liquidity risk management area and would provide timely information on firm-specific liquidity risks during periods of stress. Analysis of both systemic and idiosyncratic liquidity risk issues would then be used to inform the Federal Reserve's supervisory processes, including the preparation of analytical reports that detail funding vulnerabilities.

FR 2052a

The FR 2052a report would include sections covering broad funding classifications by product, outstanding balance and purpose, segmented by maturity date. Generally, each section can be classified into one of the following categories:

- Section 1: Secured Financing: Institutions would report obligations and lending activities backed by the pledge of assets or other collateral. This section would include asset-backed commercial paper (single-seller and multi-seller arrangements), term asset-backed securities, collateralized commercial paper, and other secured financing.
- Section 2: Official Government Sources Drawn: Institutions would report their borrowings from the Federal Reserve and other Central Banks, Federal Home Loan Banks (FHLBs) as well as any amounts drawn from official government sources.
- Section 3: Repurchase & Securities Lending Transactions: Institutions would report repurchase and securities lending transactions such as those conducted under a Global Master Repo Agreement, Master Securities Loan Agreement or a Master Securities Forward Transaction Agreement. Repurchase & Securities Lending Transaction would be grouped according to specific categories pre-identified by the Federal Reserve.
- Section 4: Unencumbered Assets: Institutions would report the amount of assets that are free and clear of any encumbrances such as

creditor claims or liens. Unencumbered assets would be grouped according to specific categories pre-identified by the Federal Reserve.

- Section 5: Expected Cash Inflows: Institutions would report cash and collateral inflows, for example those related to derivatives, and not covered in any other section.
- Section 6: Cash Inflows from External Counterparties: Institutions would report inflows related to Fed funds and Eurodollars sold and other loan cash inflows.
- Section 7: Reverse Repurchase & Securities Borrowing Transactions: Institutions would report reverse repurchase and securities borrowing transactions such as those conducted under a Global Master Repo Agreement, Master Securities Loan Agreement or a Master Securities Forward Transaction Agreement. Reverse Repurchase & Securities Borrowing Transactions would be grouped according to specific categories pre-identified by the Federal Reserve.
- Section 8: Unsecured Financing: Institutions would report the amount of obligations not backed by the pledge of specific collateral. Categories would include commercial paper, wholesale certificates of deposit and bank notes, promissory notes, Fed funds and Eurodollars

purchased, long-term debt (structured and non-structured), draws on committed lines from external entities and other unsecured financing.

- Section 9: Central Bank, FHLB Sources, and Nostro Balances:

Institutions would report cash balances maintained at the Federal Reserve and at other central banks. Firms' cash balances held at other financial institutions (Nostro balances) would be reported.

- Section 10: Deposit Funding: Institutions would report the amounts of retail and wholesale deposits and retail CDs based on Basel III classifications as of the December 2010 release. These classifications differentiate between accounts that are stable versus less stable and operating versus non-operating. Institutions would report wholesale CDs in Section 8.

- Section 11: Expected Cash Outflows: Institutions would report cash and collateral outflows, for example those related to derivatives, and not covered in any other section.

- Section 12: Operating Cash Flows: Institutions would report operating cash flows related to prime brokerage (e.g., free credits, external/internal funding used to cover customer shorts, margin loans, lockup cash flows) to help supervisors disentangle firm-specific and

business-specific trends. Expected cash outflows/inflows related to derivatives activities would also be reported.

- Section 13: Unsecured Internal Cash Flows: Institutions would report unsecured lending between internal entities.
- Section 14: Secured Internal Cash Flows: Institutions would report the amounts of repurchase, reverse-repurchase, and securities borrowed and securities lending transactions between legal entities. Secured Internal Cash Flows would be grouped according to specific categories pre-identified by the Federal Reserve.
- Section 15: Contingency Line Items: Institutions would report all contingent items that could impact the funding and liquidity at the reporting institution. Examples include undrawn commitments provided to external counterparties. Firms would also report the total cumulative market value of additional collateral their counterparties will require the firm to post as a result of various levels of credit rating downgrades.
- Section 16: Funding Pricing: Institutions would report the market rates paid to third parties to execute secured and unsecured transactions.

The FR 2052a report daily data submissions would be provided on a best efforts basis. For institutions providing FR 2052a daily information, the month-end submission would be required to be certified.

For continuous monitoring purposes, FBOs with U.S. broker/dealer assets greater than \$100 billion would be required to provide a complete FR 2052a report on an occasional basis, and such data would be expected to be certified. These FBOs would also submit an abbreviated FR 2052a report twice a month as reflected in Appendix C of the FR 2052a instructions. This abbreviated data would not be required to be certified.

The Federal Reserve specifically requests comment on the certification requirements with respect to the timeframe needed for updating systems and internal controls.

The Federal Reserve proposes to conduct up to 10 ad-hoc collections of daily liquidity data from a total of 16 respondents. The ad-hoc collections would consist of approximately 65 data items not reported on the FR 2052a. Results from the ad-hoc collections would be used to develop future enhancements to the FR 2052a report.

FR 2052b

The FR 2052b would include sections covering broad funding classifications by product, outstanding balance, and purpose segmented by

maturity date. Generally, each section may be classified into one the following categories:

- Section 1: Liquid Assets: Institutions would report cash balances maintained at the Federal Reserve and at other central banks. Firms' cash balances held at other financial institutions would be reported as well as physical currency and coin positions.
- Section 2: Reverse Repos: Institutions would report obligations repos by maturity and security collateral type.
- Section 3: Investment Securities: Reporting would be segregated into assets by risk weight and type that are unencumbered and those assets pledged to garner secured funding by the counterparty type (FHLB, Central Bank, etc.) to which the collateral is pledged. Both marketable and lendable values would be included.
- Section 4: Loans and Leases: Reporting would be segregated into loan types that are unencumbered and those assets pledged to garner secured funding by the counterparty type to which the collateral is pledged.
- Section 5: Secured Funding Sources Outstanding: Institutions would report their borrowing outstanding by maturity from the Federal Reserve, the FHLB, and other secured financing facilities.

- Section 6: Repurchase Transaction: Institutions would report repurchase transactions by securities collateral type and maturity.
- Section 7: Unsecured Financing: Institutions would report the amount of obligations not backed by the pledge of specific collateral. Categories include commercial paper, wholesale certificates of deposits & bank notes, Fed funds and Eurodollars purchased, long-term debt (structured and non-structured), draws on committed lines from external entities and other unsecured financing.
- Section 8: Estimated Cored Funding Gap: The Net Loan Growth/Attrition and Net Retail Deposit Growth/Attrition line items would be included to capture the forecasted (best estimate, non-stressed) change in loan and retail deposits over the stated horizon.
- Section 9: Contractual Loan Inflows and Committed Inflow: Contractual inflows of all maturing performing loans would be listed in the corresponding maturity columns.
- Section 10: Deposit Funding: Institutions would report the amounts of retail and wholesale deposits and retail CDs. Institutions would differentiate retail/SME deposit accounts that are stable versus less stable.

- Section 11: ABCP Exposure: Institutions would report the outstanding asset backed commercial paper issued to fund the assets of a single or several unrelated sellers.
- Section 12: Undrawn Commitments and Contingent Liquidity Needs: Institutions would report all contingent items that could impact the funding and liquidity at the reporting institution. Examples include undrawn commitments provided to external counterparties.
- Section 13 -18: Parent Company Only Tab: Institutions would report items in the Parent Company Only section which relate only to the Parent Company. Included are fields for liquid assets, forecasts of cash inflows (such as dividends from subsidiaries and operations) and outflows (such as operating expenses, dividends, subsidiary support and debt service), unsecured financing (such as commercial paper, debt and draws on committed lines), and committed liquidity and credit facilities provided to third-party banks.
- Section 20 -21: Contingency Pricing Tab: Institutions would report the market rates paid to third parties to execute unsecured and secured transactions, by BHC, across the maturity spectrum. If market funding quotes are unavailable, the institution's internal funds pricing curve could be used as a supplement.

The FR 2052b reports submitted on monthly, quarterly, and on an occasional basis would be certified.

The Federal Reserve specifically requests comment on the certification requirements with respect to the timeframe needed for updating systems and internal controls.

Board of Governors of the Federal Reserve System, September 13, 2013.

Robert deV. Frierson,
Secretary of the Board.

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